563 practice. By emphasizing past grievances under previous regimes between the Han and the Hui in Northwest China (where there are large concentrations of Hui population), the People's Government claims that its policy toward the Hui people in all parts of China is the most enlightened of all times. The Communists, now anxious to foster a better working relationship between the Han and Hui in Shantung, have probably exaggerated the role played by the Hui people in the Shantung Liberated Area and in the Shansi-Hopei-Shantung-Honan Border Region Government during the last war against Japan. As early as January 1950, the Commission on Nationalities at Peking sent Liu Ke-p'ing, one of its deputy chairmen who claims to be of Hui origin, on an inspection tour around Tsinan, Shantung, in order to familiarize the government with the econmic activities and educational conditions of the Hui people in Shantung.[14] So far we have not been able to appraise the result of the Communist effort.

563 463 Traditionally, the Hui people are merchants, handicraftsmen, inn-keepers, and restaurant operators; the Hui people in Shantung are said to prefer earning their living in their accustomed way rather than by farming even when offered land to till after the land reform. The Communists may have achieved some initial success in diverting some Hui people into agriculture, since at least 49 agricultural mutual-aid teams under Communist cadres have been organized among the Hui people in Shantung.[15]

14. People's Daily, January 22, 1950.
15. People's Daily, April 28, 1954.

466 565 production line. Foreign advisors had been employed in many factories in pre-Communist days, and many workers may have become accustomed to accepting the general excellence of Western technology. However, any government effort to impose foreign leadership in technical fields may injure the pride of the worker and provoke his resentment. Certainly the demoralizing effect of the privileged treatment accorded Russian technicians in Chinese factories should not be underestimated.

There is little evidence that the Chinese worker has abandoned his aspiration of personal advancement in the material sense. Although here again the promotion of the young and ambitious to serve in the huge government machine may satisfy some of the workers, the lack of a substantial rise in their standard of living will lead many workers to feel that their aspirations cannot be fulfilled under the Communist regime.

463 565 Handicraft workers and artisans, who have constituted the bulk of China's working class, are now dwindling rapidly. Many of them have gone to the factories. The remainder do not enjoy the esteem granted industrial workers and, as a result, are more dissatisfied than the miners, steel workers, and others whom the regime is attempting to please.

463 According to a recent estimate[62], the Chinese Communists will need at least 2,500,000 skilled industrial workers in order to carry out the proposals of the first Five-Year Plan -- and they have no more than 600,000 trained workers. However, Shanghai has been training skilled labor since the Communist conquered the China Mainland in 1949. In the past five years more than 63,000 skilled workers, technicians, engineers, and clerks have been sent from Shanghai to major construction sites and new factories in other parts of the country. From 1951 to May 1954, over 34,000 steam fitters, machine-tool operators, welders, and other skilled workers have been trained in schools established for this purpose. Shanghai factories frequently have been given the job of training contingents of workers for new factories established in Northeast and Northwest China.[63]

466 The first Five-Year Plan has as its goal an increase in labor productivity but does not guarantee to the workers an increase in wages or a better standard of living. When the plan was first announced, the Communists stated that all manpower and materials would be concentrated in order to achieve socialist industrialization, that the improvement of the standard of living would dependent upon the development of production. They called upon the Chinese workers to carry

62. Cheng Ch-yuan, Chung-kung Wu-nien Chiu-hua P'ou-hsi An Analysis of the Chinese Communists' First Five-Year Plan, Hong Kong, 1955, pp. 317-38.

63. NCNA, Shanghai Oct. 10, 1954.

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In the early years of the foreign settlements when foreigners were permitted into the hinterland for half a day's travel from the city (since they were originally not allowed to spend a night beyond the Settlements), they moved very largely by boat, and "they inevitably met on the way dung boats, dung tanks, dung buckets, and dung carriers wherever they went."[49] Until 1923 (the 1925 population of Shanghai was approximately 2,300,000, including 29,000 foreigners), there were virtually no flush toilets anywhere in the city and no central sewage system. The human wastes (or night soil) and the garbage of the city, in common with the usual practice in east Asia, were carefully saved and "sold" to contractors, who were paid a small fee for their services in removing the wastes and distributing them for sale to the farmers of the delta. Up to 1923, when a central sewage system was installed, these night soil contractors collected the wastes at most of the houses in Shanghai, including the foreign houses, and were under contract to the Shanghai Municipal Council for the removal of wastes collected by the Council from public buildings and a few private houses within the International Settlement. The Council realized an average annual revenue between 1910 and 1920 of US$50,000 from these transactions.[50]

The Council made its first contract with the night soil collectors in 1867 because it was alarmed by the health menace presented by the promiscuous dumping of wastes of all kinds in the creeks which flowed through the Settlement. Night soil contractors had been operating in the Settlement for several years before this date, but they had not removed all of the wastes, and the Council in its new contract provided for a complete disposal system.[51] By 1932, the Health Commissioner of the International Settlement was defending this system as essential not only to the health of the Settlement but to the productivity of the farms which supplied it with food.[52] As a means of disposing of the city's refuse it also had notable advantages of economy, if not of attractiveness to the foreign residents. The Council estimated in 1920 that the cost of collection and disposal of household wastes in Shanghai over the period 1908–1919 averaged about 1s 2d per ton, as against an estimated cost in London at the same period of 9s 1d per ton.[53]

In 1923 the Council built the first central sewage system, which

2: Murphy G-4 (no date) 1953 AF15 East China AF15

by 1934 included four sewage-treatment plants and two incinerators for household refuse. During the same period cesspools were dug for most buildings in the Settlement beyond the limits of the central sewage system. The night soil contractors continued to remove wastes from buildings without cesspools, and, by agreement with the Council, to drain the cesspools at regular intervals. Most of the sewage treated by the new plants was sold to the night soil contractors as before, but now in a concentrated form which was also less dangerous to health when used as fertilizer. Non-organic wastes were dumped at sea by the Council, or were used for raising low-lying land. Household garbage continued to be collected by the night soil contractors as before.[54] These malodorous cargoes went out from Shanghai entirely in barges, many of which were open and which were (and still are) to be seen on all of the waterways running through the city. It was these which attracted the adverse comment to which the Municipal Health Commissioner replied in the statement referred to above.

The night soil produced by two, three, or four million people and distributed to farmers must have been a not inconsiderable factor in maintaining or enhancing soil fertility and in making possible unusually high yields within a thirty- or forty-mile radius of Shanghai.* Existing figures for crop yields are unfortunately calculated on the basis of *hsien*, and *hsien* boundaries do not even approximately coincide with the thirty- or forty-mile radius. The Municipality of Greater Shanghai itself occupies 320 square miles (of which 210 square miles is listed as farm land) within the area of night soil distribution from the city. The effect of this distribution therefore cannot be measured with any accuracy in terms of crop yields, although the figures do show about 10 per cent higher yields of all crops in the *hsien* which have some part of their area within a forty-mile radius of Shanghai than in the remaining *hsien* in the Kiangsu section of the delta south of the Yangtze and east of Tai Lake.[55] Soil and land forms are generally uniform over this area. It is a readily observable fact that fields are greener and crops heavier and further advanced within a day's foot or water travel

* See above, p. 137. Buck's figure was compiled from surveys in only one district (about one quarter of one *hsien*) within this area.

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

powers, such services of advice, consultation, presentation of facts and voluntary mediation are important functions of the administrative authorities. With the full powers that the Chinese authorities will exercise in future in re-occupied Shanghai it is hoped they will be able to build upon the foundations already laid.

Shanghai was a city of large trading interests before it attained significance as a manufacturing centre. It was still, at the outbreak of Pacific hostilities, an important commercial city with a large export trade despite the severance of the Yangtse Valley trade after 1937. It was, prior to December 1941, the banking centre of China. After 1937 it was an important educational centre to which universities and middle schools from provincial cities had come when Sino-Japanese hostilities caused their withdrawal. There was therefore a large professional class in the community—professors, teachers, doctors, lawyers. The question of what happened to their livelihood is as significant as is the fate of the workers' economy.

A study of the standard of living of Chinese salaried employees was made in October-December 1941. So excellent a response to the request for the keeping of detailed information was made that, out of 1038 families responding, 441 perfect records were available. Originally it was intended to limit records to families with incomes below CNC$1000, but those with incomes beyond this amount so readily supplied information that the limit was waived. The majority of incomes were between CNC$500 and $1500. A Provisional Cost of Living Index was developed by May 1942 from the records of 100 families to meet the immediate need for a criterion to judge the situation in which Chinese salaried employees found themselves.

The average salaried family was found to be larger than the worker's family—6.60 persons, 4.72 consumption units, as against 5.02 persons, 4.41 consumption units in a worker's family as studied in December 1941-January 1942.

The total income of the Chinese salaried family studied averaged $688.38 per month. Earnings of the husband accounted for 84.96 per cent, those of other family members only 3.95 per cent. The salaried family, as did the workers family, had to obtain other income; 11.09 per cent came from sub-letting rooms, interest and dividends, gifts and assistance, profits on speculation and gambling.

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

CHAPTER V

EMPLOYMENT RELATIONS

In the 1935 census the Shanghai Municipal Council made its 463 ●
first attempt to analyse the occupations of the Chinese population of the Settlement. Of a total Chinese population of 1,120,860, some 204,849 were stated to be employed in industrial occupations, while 207,455 were listed as occupied in trade, finance and transport. It was clear that Shanghai was not only an important commercial city, the entrepôt of the Yangtse Valley, but that its industry was of equal importance with other occupations in proiding employment for and ensuring the livelihood of the Chinese population.

Surveying the industrial scene in 1934-35, the Industrial Division listed 3,421 factories and workshops employing 170,704 persons. This survey was a door-to-door study extending over sixteen months. The greatest number of workers—more than 75,000—was found employed in textile trades, including cotton spinning, weaving and dyeing, silk reeling and spinning, and wool and jute mills. Figures for 1936 are not available. The effects of the 1937 hostilities upon employment were serious, for at the end of 1937 only 21,500 were employed in industrial enterprises. By the end of 1938 it was estimated that 178,000 were back at work in Settlement and western extra-Settlement areas. In the early part of 1941 figures of employment reached 257,900, of whom 138,000 were employed in textile operations. Women workers predominated in the textile trades and, accordingly, represented a large proportion of the industrial workers in the Settlement. Textile industry was "light industry"; with the exception of a few plants, Shanghai had little "heavy industry."

In many western countries it is generally accepted that the 466
relation between worker and employer should preserve the independence of the worker as much as possible. His earnings should be sufficient to permit him to live the life of a member of the